
CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 6/27/2013
Agenda Item: 5B8

ACTION: Approve a five-year sole source contract renewal with Computer Sciences Corporation for software maintenance for the City's Risk Master software system for the Finance and Technology Department.

FISCAL IMPACT: Total cost of this contract will not exceed \$122,775 during the five-year contract renewal period. Sufficient funds have been appropriated in cost center 2621 (Risk Management Fund) for the anticipated expenditures in fiscal year 2013/2014.

RECOMMENDATION: Approve the renewal.

BACKGROUND INFORMATION: (T08-156-01) The City has utilized Computer Sciences Corporation services for software support for the past 20 years.

As a self-insured entity, the City of Tempe utilizes Risk Master to manage the liability and worker's compensation claims process from initial event reporting and first claim notice to final settlement. Risk Master is a claims software system that manages a wide variety of critical claims data for the City of Tempe including general liability, workers' compensation, automotive liability, and first reports of injury. The City uses Risk Master to document worker's compensation case management, the return to work process, tracking of injuries and illnesses and their causes, and claims financials, including reserves, payments and recoveries. Finally, the Risk Master database allows for the creation of claim reports and loss history reports so the City can identify loss trends and assess risks.

Computer Sciences Corporation is the only company that can provide software updates and technology support for its Risk Master software system.

Renewal Cost

The City agreed to establish a five-year renewal period in return for price concessions from the company. Although this year's price represents a 2 percent increase from the previous year's pricing, by offering a five year term, the City was able to lock in this price which will not be subject to any future increase throughout the five-year term. It is typical to see 3 to 10 percent increases annually for software renewals. The yearly cost of this contract is \$24,555 and will be paid annually.

ATTACHMENTS: N/A

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Legal review by: Jenae Naumann, Assistant City Attorney
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